

DISABILITY INCOME PLAN

Plan Name

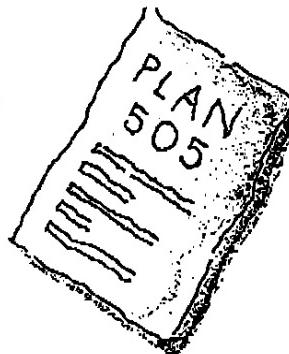
The name of the Plan is the Kmart Corporation Disability Income Plan.

Plan Type

The Plan is a welfare benefit plan established for the benefit of the Company's eligible associates.

Employer Identification Number (EIN)

The Employer Identification Number assigned to Kmart Corporation by the Internal Revenue Service is 38-0729500.



Plan Number

The Plan Number for this Plan is 505.

Plan Year

The Plan Year is each 12-month period beginning on January 1 and ending on the following December 31.

Plan Administrator & Sponsor

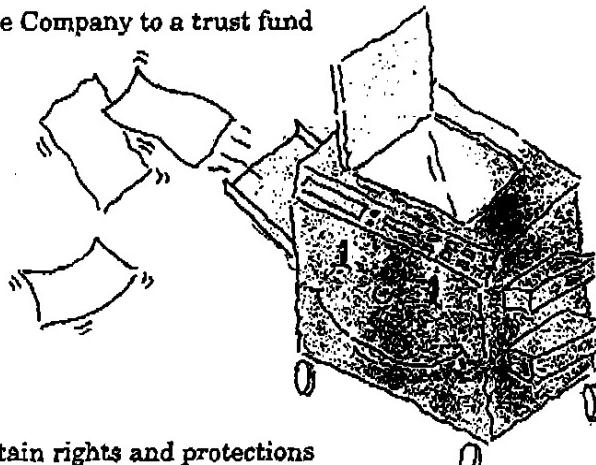
The Plan Administrator and Sponsor is:

Kmart Corporation

3100 West Big Beaver Road
Troy, Michigan 48084-3163
(313) 643-1681

Plan Funding

The Plan is self-funded through contributions by the Company to a trust fund established for the Plan.



Agent for Service of Legal Process

The Agent for service of legal process is:

General Counsel

Kmart Corporation

3100 West Big Beaver Road
Troy, Michigan 48084-3163

Your Rights Under ERISA

As a participant in the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). Among these rights are the rights to:

- Examine, without charge, at the Plan Administrator's office, all Plan documents, including insurance contracts, collective

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bargaining agreements, and copies of all documents filed by the Plan with the U.S. Department of Labor; such as detailed annual reports and plan descriptions.

- Obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator. The Plan Administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report from the Plan Administrator.

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of Plan participants.

No one inside or outside of the Company may dismiss you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA.

Under ERISA there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$100 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim to benefits that you feel is improperly denied or ignored, in whole or in part, you may file suit in a state or federal court. If Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the party you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees—for example, if it finds your claim is frivolous.

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement, you should contact the nearest Area Office of the U.S. Labor-Management Services Administration, Department of Labor.

About This Booklet

This booklet, called a Summary Plan Description (SPD), highlights key features of the Plan. The Plan is governed by this SPD and a legal document covering the Company's Master Welfare Benefit Plan (which includes this Plan). If there is any conflict between this SPD (or in any letter or verbal explanation from Company or Plan Representatives), and the Master Welfare Benefit Plan document, the Master Welfare Benefit Plan document will govern. This SPD shall control in the event of a conflict between the SPD and any letter or verbal explanation from Company or Plan Representatives.

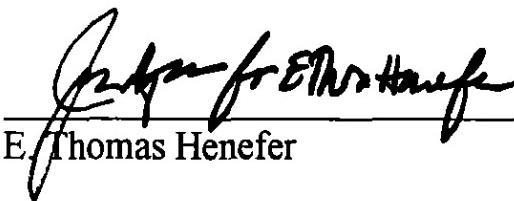
CERTIFICATE OF SERVICE

I, E. THOMAS HENEFER, certify that I served a true and correct copy of the foregoing notice of removal upon the following counsel of record, by depositing the same in the United States mail, postage prepaid, addressed as follows:

Lisa A. Welkey, Esquire
Law Offices of Lisa A. Welkey, Esquire
Penn Park Building
48 South Main Street, Suite 500
Pittston, PA 18640

Rebecca Dick-Hurwitz
Littler Mendelson, PC
Dominion Tower
625 Liberty Avenue, Suite 2000,
Office 2810
Pittsburgh, Pennsylvania 15222

Date: August 29, 2001



E. Thomas Henefer